

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4006

To provide statements of the economic and employment impacts of Federal legislation and regulation on the private sector and State and local governments.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 10, 1994

Mr. COX introduced the following bill; which was referred jointly to the  
Committees on Rules and Government Operations

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## A BILL

To provide statements of the economic and employment impacts of Federal legislation and regulation on the private sector and State and local governments.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. ECONOMIC AND EMPLOYMENT IMPACT ACT.**

4       (a) SHORT TITLE.—This Act may be cited as the  
5       “Economic and Employment Impact Act”.

6       (b) FINDINGS AND PURPOSES.—

7               (1) FINDINGS.—The Congress finds that—

8                       (A) compliance with Federal regulations  
9               is estimated to cost the private sector and

1 State and local governments as much as  
2 \$850,000,000,000 a year;

3 (B) excessive Federal regulation and man-  
4 dates increase the cost of doing business and  
5 thus hinder economic growth and employment  
6 opportunities;

7 (C) State and local governments are forced  
8 to absorb the cost of unfunded Federal man-  
9 dates; and

10 (D) in addition to budget and deficit esti-  
11 mates, Congress and the executive branch deci-  
12 sion makers need to be aware of regulatory cost  
13 impacts of proposed Federal actions on the pri-  
14 vate sector and State, local, and tribal govern-  
15 ments.

16 (2) PURPOSES.—The purposes of this section  
17 are—

18 (A) to ensure that the people of the United  
19 States are fully apprised of the impact of Fed-  
20 eral legislative and regulatory activity on eco-  
21 nomic growth and employment;

22 (B) to require both the Congress and the  
23 executive branch to acknowledge and to take re-  
24 sponsibility for the fiscal and economic effects

1 of legislative and regulatory actions and activi-  
2 ties;

3 (C) to provide a means to ensure that con-  
4 gressional and executive branch action are fo-  
5 cused on enhancing economic growth and pro-  
6 viding increased job opportunities for the people  
7 of the United States; and

8 (D) to protect against congressional or ex-  
9 ecutive branch actions which hinder economic  
10 growth or eliminate jobs for the people of the  
11 United States.

12 (c) ECONOMIC AND EMPLOYMENT IMPACT STATE-  
13 MENTS FOR LEGISLATION.—

14 (1) PREPARATION.—The Director of the Con-  
15 gressional Budget Office (referred to as the “Direc-  
16 tor”) shall prepare an economic and employment im-  
17 pact statement, as described in paragraph (2), to ac-  
18 company each bill or joint resolution reported by any  
19 committee (except the Committee on Appropriations)  
20 of the House of Representatives or the Senate or  
21 considered on the floor of either House.

22 (2) CONTENTS.—The economic and employ-  
23 ment impact statement required by paragraph (1)  
24 shall include the following:

1           (A) An estimate of the numbers of individ-  
2 uals and businesses who would be regulated by  
3 the bill or joint resolution and a determination  
4 of the groups and classes of such individuals  
5 and businesses;

6           (B) A determination of the economic im-  
7 pact of such regulation on individuals, consum-  
8 ers, and businesses affected.

9           (C)(i) An estimate of the costs which  
10 would be incurred by the private sector in car-  
11 rying out or complying with such bill or joint  
12 resolution in the fiscal year in which it is to be-  
13 come effective, and in each of the 4 fiscal years  
14 following such fiscal year, together with the  
15 basis for each such estimate.

16           (ii) Estimates required by this subpara-  
17 graph shall include specific data on costs im-  
18 posed on groups and classes of individuals and  
19 businesses, including small business and con-  
20 sumers, and employment impacts on those indi-  
21 viduals and businesses.

22           (D) An estimate of the costs that would be  
23 incurred by State and local governments, which  
24 shall include—

1 (i) the estimates required by section  
2 403 of the Congressional Budget Act of  
3 1974; and

4 (ii) an evaluation of the extent of the  
5 costs of the Federal mandates arising from  
6 such bill or joint resolution in comparison  
7 with funding assistance provided by the  
8 Federal Government to address the costs  
9 of complying with such mandates.

10 (3) REPORT NOT AVAILABLE.—If compliance  
11 with the requirements of paragraph (1) is imprac-  
12 ticable, the Director shall submit a statement setting  
13 forth the reasons for noncompliance.

14 (4) STATEMENT TO ACCOMPANY COMMITTEE  
15 REPORTS.—The economic and employment impact  
16 statement required by this subsection shall accom-  
17 pany each bill or joint resolution reported or other-  
18 wise considered on the floor of either House. Such  
19 statement shall be printed in the committee report  
20 upon timely submission to the committee. If not  
21 timely filed or otherwise unavailable for publication  
22 in the committee report, the economic and regu-  
23 latory statement shall be published in the Congres-  
24 sional Record not less than 2 calendar days prior to  
25 any floor consideration of a bill or joint resolution

1 subject to the provisions of this subsection by either  
2 House.

3 (5) COMMITTEE STATEMENTS OPTIONAL.—  
4 Nothing in this subsection shall be construed to  
5 modify or otherwise affect the requirements of para-  
6 graph 11(b) of rule XXVI of the Standing Rules of  
7 the Senate, regarding preparation of an evaluation  
8 of regulatory impact.

9 (d) ECONOMIC AND EMPLOYMENT IMPACT STATE-  
10 MENT FOR EXECUTIVE BRANCH REGULATIONS.—

11 (1) PREPARATION.—Each Federal department  
12 or executive branch agency shall prepare an eco-  
13 nomic and employment impact statement, as de-  
14 scribed in paragraph (2), to accompany regulatory  
15 actions.

16 (2) CONTENTS.—The economic and employ-  
17 ment impact statement required by paragraph (1)  
18 shall include the following:

19 (A) An estimate of the numbers of individ-  
20 uals and businesses who would be regulated by  
21 the regulatory action and a determination of  
22 the groups and classes of such individuals and  
23 businesses.

1 (B) A determination of the economic im-  
2 pact of such regulation on individuals, consum-  
3 ers, and businesses affected.

4 (C)(i) An estimate of the costs which  
5 would be incurred by the private sector in car-  
6 rying out or complying with such regulatory ac-  
7 tion in the fiscal year in which it is to become  
8 effective and in each of the 4 fiscal years follow-  
9 ing such fiscal year, together with the basis for  
10 each such estimate.

11 (ii) The estimate required by this subpara-  
12 graph shall include specific data on costs on  
13 groups and classes of individuals and busi-  
14 nesses, including small business and consumers,  
15 and employment impacts on those individuals  
16 and businesses.

17 (D) An estimate of the costs that would be  
18 incurred by State and local governments, which  
19 shall include—

20 (i) an estimate of cost which would be  
21 incurred by State and local governments in  
22 carrying out or complying with the regu-  
23 latory action in the fiscal year in which it  
24 is to become effective and in each of the 4

1 fiscal years following such fiscal year, to-  
2 gether with the basis for such estimate;

3 (ii) a comparison of the estimates of  
4 costs described in clause (i), with any  
5 available estimates of costs made by any  
6 Federal or State agency;

7 (iii) if the agency determines that the  
8 regulatory action is likely to result in an-  
9 nual cost to State and local governments of  
10 \$200,000,000 or more, or is likely to have  
11 exceptional fiscal consequences for a geo-  
12 graphic region or a particular level of gov-  
13 ernment, a statement by the agency detail-  
14 ing such results or consequences; and

15 (iv) an evaluation of the extent of the  
16 costs of the Federal mandates arising from  
17 the regulatory action in comparison with  
18 funding assistance provided by the Federal  
19 Government to address the costs of com-  
20 plying with such mandates.

21 (4) REPORT NOT AVAILABLE.—If compliance  
22 with the requirements of paragraph (1) is imprac-  
23 ticable, the agency or department shall submit a  
24 statement setting forth the reasons for noncompli-  
25 ance.



1           (5) STATEMENT TO ACCOMPANY FEDERAL REG-  
2           ULATORY ACTIONS.—The economic and employment  
3           impact statement with respect to a regulatory action  
4           required by this subsection shall be published in the  
5           Federal Register together with the publication of  
6           such regulatory action. If the regulatory action is  
7           not published in the Federal Register, the economic  
8           and employment impact statement shall be made  
9           available to the public in a timely manner.

10          (6) DEFINITION OF “REGULATORY ACTION”.—  
11          For purposes of this subsection, the term “regu-  
12          latory action” means any substantive action by a  
13          Federal agency (required to be or customarily pub-  
14          lished in the Federal Register) that promulgates or  
15          is expected to lead to the promulgation of a final  
16          rule or regulation, including notices of inquiry, ad-  
17          vance notices of proposed rulemaking, notices of pro-  
18          posed rulemaking, interim final rules, and final rules  
19          and regulations.

20          (e) PROVISION FOR NATIONAL SECURITY EMER-  
21          GENCY WAIVER.—

22          (1) CONGRESSIONAL ECONOMIC IMPACT STATE-  
23          MENTS.—The Congress may waive the requirements  
24          of subsection (c) at any time in which a declaration

1 of war is in effect, or in response to a national secu-  
2 rity emergency at the request of the President.

3 (2) EXECUTIVE REGULATIONS ECONOMIC IM-  
4 PACT STATEMENTS.—The President may waive the  
5 requirements of subsection (d) at any time in which  
6 a declaration of war is in effect, or in response to  
7 a national security emergency as determined by the  
8 President in consultation with Congress.

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